

REMARKS

This Application has been reviewed in light of the Final Office Action dated May 31, 2006 (“*Office Action*”). Claims 1-47 are pending in the Application and stand rejected. Claim 1 has been amended solely to add clarifying language. Applicants respectfully request reconsideration and allowance of all pending claims in view of the foregoing amendments and the following remarks.

Rejections Under 35 U.S.C. § 102

Claims 1-3 stand rejected under 35 U.S.C. § 102(e) as allegedly being anticipated by U.S. Patent No. 6,067,532 to Gebb (“*Gebb*”). Applicants respectfully request reconsideration and allowance of Claims 1-3 for the following reasons.

Independent Claim 1, as amended, recites:

A computer-implemented method performed using a computer system for conducting an exchange of an activity entry between a buyer and a seller, the computer system comprising one or more processing units and one or more memory units, the method comprising:

determining a first set of entries in one or more activities, at least one entry to be determined a winning entry based on the occurrence of an event associated with the activity;

using the computer system, executing a first initial distribution of the first set of entries; and

using the computer system, conducting trading, of at least one of the entries, between at least one buyer and at least one seller.

In order to establish a *prima facie* case of anticipation, all the elements of the claimed invention must be found within a single prior art reference. *Dewey & Almy Chemical Co. v. Mimex*, 124 F.2d 986, 52 U.S.P.Q. 138 (2d Cir. 1942). In addition, “[t]he identical invention must be shown in as complete detail as is contained in the . . . claims” and “[t]he elements must be arranged as required by the claim.” *Richardson v. Suzuki Motor Co.*, 9 U.S.P.Q.2d 1913, 1920 (Fed. Cir. 1989); *In re Bond*, 15 U.S.P.Q.2d 1566 (Fed. Cir. 1990); M.P.E.P. § 2131 (*emphasis added*). Whether considered alone or in combination with any other reference, Applicants respectfully submit that *Gebb* does not disclose, teach, or suggest, expressly or inherently, each and every element of Applicants’ Claim 1.

In the previous Response, Applicants argued that *Gebb* does not discuss “entries” and certainly does not consider “entries” in the manner which this term is used in Applicant’s claims. Although Applicants believe that this argument continues to be of merit with respect to the previously recited and argued claim language, Applicants have amended the claim in this Response for clarification purposes. Applicants respectfully submit that *Gebb* does not disclose, teach, or suggest “determining a first set of entries in one or more activities, at least one entry to be determined a winning entry based on the occurrence of an event associated with the activity,” as recited in Claim 1.

As disclosed in *Gebb*, “[e]vent tickets, such as tickets for access to sporting events, plays, concerts and/or the like, are usually sold, in bulk as a season ticket package or individually, through ticket windows at the event, ticket distributors located at department stores, large ticket agencies or directly between friends and business associates.” (Column 1, lines 12-17). Because a “convenient method of selling tickets on the secondary market is needed” (Column 2, lines 3-4), *Gebb* discloses a “method for redistributing, purchasing or selling tickets on the secondary market.” (Column 2, lines 11-13). As disclosed in *Gebb*, such tickets represent a right to admission to the respective event. Thus, even if the term “entry” was used in the *Gebb* disclosure, it would mean “ticket” or “admission to an event.” With regard to the operation of the *Gebb* system, *Gebb* discloses that “[o]nce sellers are entered into the system, they are allowed to consign tickets to the host system.” (Column 2, lines 32-36). “A potential buyer may browse the available ticket database via the Internet or phone. When buyers decide to purchase a ticket, the purchase is conducted via a typical credit card transaction and the buyer is given an option for receipt of the tickets.” (Column 2, lines 51-55). Thus, *Gebb* merely provides an environment for redistributing tickets to “sporting events, plays, concerts and/or the like. (Column 3, lines 41-42). *Gebb* does not disclose, teach, or suggest or even relate to “determining a first set of entries in one or more activities, at least one entry to be determined a winning entry based on the occurrence of an event associated with the activity,” as recited in Claim 1. Applicants respectfully submit that at least this limitation is neither disclosed nor suggested by the cited art, particularly in combination with the other limitations and elements recited in Claim 1 and its dependent claims.

For at least these reasons, Applicants respectfully request reconsideration and allowance of Claim 1, together with Claims 2-3 that depend from Claim 1.

Rejections Under 35 U.S.C. § 103

Claims 4-47 stand rejected under 35 U.S.C. § 103(a) as allegedly being anticipated by *Gebb* in view of U.S. Patent Publication 2002/0082969 A1 to O’Keeffe, et al. (“*O’Keeffe*”). Applicants respectfully request reconsideration and allowance of Claims 4-47 for the following reasons.

First, Applicants respectfully submit that no proper motivation to combine *Gebb* and *O’Keeffe* has been provided. In the Final Office Action, “[o]bviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either explicitly or implicitly in the references themselves or in the knowledge generally available to one of ordinary skill in the art.” (MPEP § 2143.01). The governing Federal Circuit case law makes this strict legal standard clear.¹ According to the Federal Circuit, “a showing of a suggestion, teaching, or motivation to combine or modify prior art references is an essential component of an obviousness holding.” *In re Sang-Su Lee*, 277 F.3d 1338, 1343, 61 U.S.P.Q.2d 1430, 1433 (Fed. Cir. 2002) (quoting *Brown & Williamson Tobacco Corp. v. Philip Morris Inc.*, 229 F.3d 1120, 1124-25, 56 U.S.P.Q.2d 1456, 1459 (Fed. Cir. 2000)). “Evidence of a suggestion, teaching, or motivation . . . may flow from the prior art references themselves, the knowledge of one of ordinary skill in the art, or, in some cases, the nature of the problem to be solved.” *In re Dembiczak*, 175 F.3d 994, 999, 50 U.S.P.Q.2d 1614, 1617 (Fed. Cir. 1999). However, the “range of sources available . . . does not diminish the requirement for actual evidence.” *Id.* ***Although a prior art device “may be capable of being modified to run the way the apparatus is claimed, there must be a suggestion or motivation in the reference to do so.”*** *In re Mills*, 916 F.2d at 682, 16 U.S.P.Q.2d at 1432 (emphasis added). *See also In re Rouffet*, 149 F.3d 1350, 1357, 47 U.S.P.Q.2d 1453, 1457-58 (Fed. Cir. 1998) (***holding a prima facie case of obviousness not made where the combination of the references taught every element of the claimed invention but did not provide a motivation***

¹ Note M.P.E.P. 2145 X.C. (“The Federal Circuit has produced a number of decisions overturning obviousness rejections due to a lack of suggestion in the prior art of the desirability of combining references.”).

to combine); *In Re Jones*, 958 F.2d 347, 351, 21 U.S.P.Q.2d 1941, 1944 (Fed. Cir. 1992) (“Conspicuously missing from this record is any evidence, other than the PTO’s speculation (if that can be called evidence) that one of ordinary skill in the herbicidal art would have been motivated to make the modification of the prior art salts necessary to arrive at” the claimed invention.). Even a determination that it would have been obvious to one of ordinary skill in the art at the time of the invention to try the proposed modification or combination is not sufficient to establish a *prima facie* case of obviousness. *See In re Fine*, 837 F.2d 1071, 1075, 5 U.S.P.Q.2d 1596, 1599 (Fed. Cir. 1988).

In addition, the M.P.E.P. and the Federal Circuit repeatedly warn against using an applicant's disclosure as a blueprint to reconstruct the claimed invention. For example, the M.P.E.P. states, “*The tendency to resort to 'hindsight' based upon applicant's disclosure is often difficult to avoid due to the very nature of the examination process. However, impermissible hindsight must be avoided and the legal conclusion must be reached on the basis of the facts gleaned from the prior art.*” M.P.E.P. § 2142 (emphasis added). The governing Federal Circuit cases are equally clear. “A critical step in analyzing the patentability of claims pursuant to [35 U.S.C. § 103] is casting the mind back to the time of invention, to consider the thinking of one of ordinary skill in the art, guided only by the prior art references and the then-accepted wisdom in the field. . . . Close adherence to this methodology is especially important in cases where the very ease with which the invention can be understood may prompt one ‘to fall victim to the insidious effect of a hindsight syndrome *wherein that which only the invention taught is used against its teacher.*’” *In re Kotzab*, 217 F.3d 1365, 1369, 55 U.S.P.Q.2d 1313, 1316 (Fed. Cir. 2000) (citations omitted; emphasis added). In *In re Kotzab*, the court noted that to prevent the use of hindsight based on the invention to defeat patentability of the invention, this court requires the examiner to show a motivation to combine the references that create the case of obviousness. *See id.* *See also, e.g., Grain Processing Corp. v. American Maize-Products*, 840 F.2d 902, 907, 5 U.S.P.Q.2d 1788, 1792 (Fed. Cir. 1988). Similarly, in *In re Dembiczak*, the Federal Circuit reversed a finding of obviousness by the Board, *explaining that the required evidence of such a teaching, suggestion, or motivation is essential to avoid impermissible hindsight reconstruction of an applicant's invention:*

Our case law makes clear that the best defense against the subtle but powerful attraction of hind-sight obviousness analysis is ***rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references***. Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability—the essence of hindsight.

175 F.3d at 999, 50 U.S.P.Q.2d at 1617 (emphasis added) (citations omitted; emphasis added).

In the Final Office Action, the Examiner states with respect to Claim 4 that “[i]t would have been obvious to one having ordinary skill in the art at the time the invention was made to have the executing a first initial distribution comprise conducting a lottery for the first set of entries and to modify in *Gebb* because such a modification would allow *Gebb* to participate in a lottery distribution where prospective participants may be asked to register over a web site by telephone and to pay the ticket lottery subscription fee in advance.” (Office Action, pages 4-5). A similar statement is made with regard to Claim 5 for conducting an auction to distribute entries. (Office Action, page 5). It appears that the Examiner has merely proposed alleged advantages of combining *Gebb* with *O’Keeffe* (advantages which Applicants do not admit could even be achieved by combining these references in the manner the Examiner proposes). While the Examiner has provided a proposed alleged advantage of the *O’Keeffe* system, the Examiner has not pointed to any portions of the cited references or to the knowledge of one of ordinary skill in the art that would teach, suggest, or motivate one of ordinary skill in the art at the time of invention to incorporate the auction and lottery schemes of *O’Keeffe* into the ticket redistribution system of *Gebb*. In other words, the alleged advantages of the systems disclosed in *O’Keeffe* does not provide an explanation as to: (1) why it would have been obvious to one of ordinary skill in the art at the time of Applicants’ invention (***without using Applicants’ claims as a guide***) to modify the particular techniques disclosed in *Gebb* with the cited disclosure in *O’Keeffe*; (2) how one of ordinary skill in the art at the time of Applicants’ invention would have actually done so; and (3) how doing so would purportedly meet the limitations of Claim 1. Indeed, if it were sufficient for Examiners to merely point to a purported advantage of one reference and conclude that it would have been obvious to combine or modify that reference

with other references simply based on that advantage (which, as should be evident from the case law discussed above, it certainly is not), then virtually any two or more references would be combinable just based on the fact the one reference states an advantage of its system. Of course, as the Federal Circuit has made clear, as discussed above, that is not the law.

In this instance, Applicants respectfully submit that the Examiner's "it would have been obvious" statements do nothing more than present a possible result of combining the references, without providing any motivation or suggestion to combine the references in the first instance. This constitutes hindsight reasoning of the type repeatedly rejected by the PTO Board and the Court of Appeals for the Federal Circuit. While the Examiner's statements with regard to Claims 4 and 5 are discussed specifically above, analogous arguments apply equally to other claims including, without limitation, Claims 14, 15, 16, 34, 35, 37, and 40.

Second, even if *Gebb* and *O'Keeffe* may be properly combined (a point disputed immediately above), then the combined references would still fail to disclose each and every element and limitation of the Claims 4-47. In order to establish a *prima facie* case of obviousness of a claimed invention, all claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981 (CCPA 1974). Claims 4-47 depend directly or indirectly from Claim 1. Accordingly, dependent Claims 4-47 are not obvious over the proposed combinations of references at least because Claims 4-47 include the limitations of their respective independent claims, which Applicants have shown above to be allowable.

Additionally, Applicants respectfully submit that Claims 4-47 recite features that further distinguish the art. In the previous Response to Office Action submitted on March 2, 2006, Applicants argued the allowability of certain dependent claims over the proposed *Gebb-O'Keeffe* combination. In response to these arguments, the Examiner merely states in the Final Office Action that "[i]t is interpreted that the references when combined disclose the elements of the claim limitations or the claim limitation is either inherent or obvious." Thus, the Examiner has not responded to Applicants' specific arguments with respect to each argued dependent claim.

Section 707.07(f) of the M.P.E.P. requires an Examiner to answer all material traversed by an Applicant. Specifically, that provision states:

Where the applicant traverses any rejection, the examiner should if he or she repeats the rejection, take note of the applicant's argument and answer the substance of it.

(M.P.E.P. § 707.07(f)). Since the Examiner has failed to respond to Applicants' arguments disputing that the proposed *Gebb-O'Keeffe* combination discloses, teaches, or suggests each element recited in Applicants' dependent claims, Applicants submit that the Office Action is deficient on its face. Because Applicants believe that Applicants' arguments relating the deficiencies of the proposed *Gebb-O'Keeffe* combination to disclose, teach, or suggest Applicants' dependent claims continue to have merit, Applicants reiterate the previous arguments now. Specifically, Applicants submit that the following claims, as examples and not by limitation, are allowable over the proposed *Gebb-O'Keeffe* combination:

- With regard to Claim 6, *Gebb* (Column 6, lines 40-63) is relied upon for the step of distributing a second set of entries for the first activity. (Office Action, page 6). The referenced section in *Gebb*, however, merely discusses the "after-market" or "post-distribution" exchange of event tickets. This is not analogous to the recited initial distribution of entries, which is distinct from the trading of such entries.
- With regard to Claim 7, *Gebb* (Column 6, line 64 through Column 7, line 13) is relied upon for the after-market trading of the first set of entries being discrete from the after-market trading of the second set of entries. (Office Action, at 6. First, the referenced section simply does not discuss trading of two sets of entries. Second, the referenced section concerns the provision of paperless event tickets, and not the distribution and trading of two discrete sets of entries.
- With regard to Claim 9, *Gebb* (Column 8, lines 12-43) is relied upon for the step of distributing a second set of entries for a second activity. However, the referenced section only discusses the exchange of tickets that have already been distributed, and not a second trading of a second distribution of entries.
- With regard to Claim 21, *Gebb* (Column 3, lines 20-42) is relied upon for the disclosure of the activity being a tournament. The reference section discusses sporting events. However, in the entire *Gebb* disclosure, the term sporting event is used in the context of a single game -- not a multi-game tournament. Thus, *Gebb* discusses buying and selling tickets to a sporting event (i.e., a single game).

- With regard to Claim 23, *Gebb* (Column 3, lines 34-42) is relied upon for the activity being a basketball tournament. For reasons analogous to those discussed above in connection with Claim 21, Applicants submit that *Gebb* simply does not disclose, teach, or suggest the recited elements.
- With regard to Claim 28, *Gebb* (Column 8, lines 3-11) is relied upon for the single bundle being distributed prior to conducting the after-market trading of the first set of entries. However, the referenced section concerns after-market ticket exchanges and not a pre-exchange distribution.
- With regard to Claim 30, *Gebb* (Column 7, line 53 through Column 8, line 29) is relied upon for receiving a short sell order. However, the referenced section merely deals with an anti-scalping mechanism and not a “short sell” as that term is used in the trading (and as defined in Applicant’s specification). The same reasoning applies to Claim 33.
- With regard to Claim 35, contrary to the assertions in the Office Action, the cited references do not disclose “payouts.” This makes sense, because the referenced sections of *O’Keeffe* are merely discussing a lottery distribution of event tickets. There is no discussion of entries, for which a winning entry may be determined (as previously discussed) and which would thus result in a payout to the winner.
- With regard to Claim 37, the cited references merely discuss ticket revenue -- not any payout associated with a winning “entry.” Similar reasoning applies to Claims 38, 39, and 40.

For at least these reasons, Applicants respectfully request reconsideration and allowance of Claims 4-47.

CONCLUSION

Applicants respectfully submit that the present Application is in condition for allowance and favorable notice thereof is solicited. Applicants request allowance of Claims 1-47.


No fees are believed to be due; however, the Commissioner is hereby authorized to charge any deficiency or credit any overpayment to Deposit Account No. 02-0384 of Baker Botts L.L.P.

If there are matters that can be discussed by telephone to further the prosecution of this application, Applicants respectfully request that the Examiner call their attorney at the number listed below.

Respectfully submitted,

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